



United States General Accounting Office

Report to the Honorable  
James M. Inhofe, U.S. Senate

February 2000

# STRUCTURED SETTLEMENTS

## The Department of Justice's Selection and Use of Annuity Brokers



**DISTRIBUTION STATEMENT A**  
Approved for Public Release  
Distribution Unlimited

20000224 136



**G A O**

Accountability \* Integrity \* Reliability



United States General Accounting Office  
Washington, D.C. 20548

General Government Division

B-283058

February 16, 2000

The Honorable James M. Inhofe  
United States Senate

Dear Senator Inhofe:

The federal government solicits the services of private brokers to assist in structuring settlements with claimants in lawsuits against federal agencies. Because private brokers can earn lucrative commissions from insurance companies, it is important that the Department of Justice (DOJ) has criteria and a system of controls to promote fairness and avoid the appearance of favoritism in selecting these brokers. This report responds to your request that we review DOJ's policy and guidance for selecting structured settlement brokers. As agreed with your office, this report (1) discusses the policies and guidance for selecting structured settlement brokers used by DOJ and six selected agencies<sup>1</sup> and (2) provides a list of the structured settlement brokerage companies used by DOJ and the number of settlements awarded to each company since May 1997.

## Results in Brief

In 1993 and 1997, DOJ issued policies and guidance on the selection of structured settlement brokers to promote fairness and to avoid the appearance of favoritism. DOJ officials told us that its policies and guidelines permit some discretion and that when selecting a particular broker, they generally relied on such factors as reputation, past experience, knowledge, and location. However, DOJ officials also told us they were unable to specify reasons why attorneys selected particular brokers to settle specific cases, because DOJ did not require documentation of these decisions. Without an internal control<sup>2</sup> requiring that the reasons for selecting a particular settlement broker be documented and readily available for examination, it is more difficult to verify that selection policies and guidelines were followed and, in turn, to avoid the appearance of favoritism and preferential treatment.

Overall, the six federal agencies we surveyed described policies and guidance in selecting structured settlement brokers that were similar to

<sup>1</sup>The six selected agencies were the Departments of Health and Human Services (HHS) and Veterans Affairs (VA); the Air Force, Army, and Navy; and the United States Postal Service.

<sup>2</sup>The Comptroller General's Standards for Internal Control in the Federal Government (GAO/AIMD-00-21.3.1) requires that all transactions and significant events are to be clearly documented and that the documentation is to be readily available for examination.

DOJ's. Also, like DOJ, none of the agencies had internal controls requiring their attorneys to document their reasons for selecting a specific broker. One agency had a written supplemental policy governing the use of structured settlements, but it did not require documentation of decisions. Officials at the other five federal agencies said they also generally relied on such factors as reputation, past experience, knowledge, and location for selecting a particular structured settlement broker. However, as was the case with DOJ, the reasons why particular brokers were selected for specific cases were not documented.

Our review of the list of structured settlement brokerage companies used by DOJ and the number of settlements assigned to each company showed that DOJ selected a few companies to handle most of its structured settlement business.<sup>3</sup> According to DOJ, the companies frequently have multiple offices and brokers that compete with each other within the same company. Thus, a simple count of the number of companies could be misleading. Although DOJ used 27 different structured settlement companies to settle 242 claims for about \$236 million between May 1, 1997, and May 1, 1999, 70 percent (169 cases) were awarded to 4 brokerage companies. Of the remaining 23 companies, none were awarded more than 17 cases each.

We are recommending that DOJ (1) establish internal controls that require its officials to document the reasons for selecting a particular broker or brokerage company to settle a case and (2) disseminate this guidance to federal agencies responsible for handling structured settlement claims.

## Background

A structured settlement is the payment of money for a personal injury claim in which at least part of the settlement calls for future payment. The payments may be scheduled for any length of time, even as long as the claimant's lifetime, and may consist of installment payments and/or future lump sums. Payments can be in fixed amounts, or they can vary. The schedule is structured to meet the financial needs of the claimant.

For years, structured settlements have been widely used in the tort area<sup>4</sup> to compensate severely injured, often profoundly disabled, tort victims. Cases generally involve medical malpractice and other personal injury. The Federal Tort Claims Act (FTCA)<sup>5</sup> is the statute by which the United States

<sup>3</sup> Thirteen of the 94 U.S. Attorneys offices did not provide structured settlement data.

<sup>4</sup> A tort is a civil wrong, not including a breach of contract, for which the injured party is entitled to damages.

<sup>5</sup> 28 U.S.C. §§1346(b), 2671-2680.

---

authorizes tort suits to be brought against itself. With certain exceptions,<sup>6</sup> it makes the United States liable for injuries caused by the negligent or wrongful act or omission of any federal employee acting within the scope of his or her employment, in accordance with the law of the state where the act or omission occurred. Generally, a tort claim against the United States is barred unless it is presented in writing to the appropriate federal agency within 2 years after the claim accrues.

In addition, the National Childhood Vaccine Injury Act of 1986, as amended, created a mechanism for compensating persons injured by certain pharmaceutical products. The act established the National Vaccine Injury Compensation Program (VICP)<sup>7</sup> as an alternative to traditional product liability and/or medical malpractice litigation for persons injured by their receipt of one or more of the standard childhood vaccines required for admission to schools and by certain employers.<sup>8</sup> VICP is “no-fault.” That is, claimants need not establish that the vaccine was defective, or that any degree of negligence was involved in its administration. The only liability-related question is causation—did the vaccine cause the injury for which compensation is sought?

The industry standard of practice requires the use of a licensed broker or insurance agent to obtain a settlement annuity. DOJ’s Civil Division<sup>9</sup> estimated that structured settlements constitute between 1 and 2 percent of all settlements in litigated tort cases. Brokers receive no direct compensation from the government; rather, they are compensated by the insurance company from whom the annuity is purchased. The insurance company typically pays the brokers’ commissions, which amount to 3 or 4 percent of the annuity premium. The government attorney negotiating the case is responsible for selecting the broker.

---

<sup>6</sup>Three major exceptions under which the United States may not be held liable, even in circumstances where a private person could be held liable under state law, are the *Feres* doctrine, which prohibits suits by military personnel for injuries sustained incident to service; the discretionary function exception, which immunizes the United States for acts or omissions of its employees that involve policy judgments; and the intentional tort exception, which precludes suits against the United States for assault and battery, and certain other intentional torts, unless they are committed by federal law enforcement or investigative officials.

<sup>7</sup> 42 U.S.C. §§ 300aa-10 *et seq.*

<sup>8</sup> Currently, the vaccines covered under the Program are those administered to protect against diphtheria, tetanus, pertussis (whooping cough), measles, mumps, rubella (German measles), polio, hepatitis B, varicella (chicken pox), *Haemophilus influenzae* type b, and rotavirus.

<sup>9</sup>The responsibilities of DOJ’s Civil Division include representing the United States, its agencies, and its employees in suits where monetary judgments are sought for damages resulting from negligent or wrongful acts.

---

Structured settlements for the federal government are negotiated by the Civil Division's torts attorneys, Assistant United States Attorneys (AUSAs), or agency attorneys. AUSAs are authorized to settle certain cases. An agency may not settle a tort claim for more than \$25,000 without the prior written approval of the Attorney General or her designee, unless the Attorney General has delegated to the head of the agency the authority to do so.<sup>10</sup>

---

## Objectives, Scope, and Methodology

To ascertain DOJ's policies and guidance for the selection of settlement brokers, we reviewed the Torts Branch handbook, Damages Under the Federal Tort Claim Act (section V: Settlements), and other relevant documents pertaining to broker selection policies. In addition, to obtain information about the procedures used to select brokers, we interviewed attorneys in DOJ's Civil Division and representatives from the Executive Office for United States Attorneys (EOUSA).

To obtain information on broker selection policies and guidance used by federal agencies, we asked DOJ to identify other federal agencies that handled structured settlement claims. DOJ identified six agencies—HHS and VA; the Air Force, Army, and Navy; and the U.S. Postal Service. At each of the six agencies, we met with officials who were responsible for negotiating structured settlement claims. We discussed their policies and procedures for selecting structured settlement brokers and asked them what factors they considered during the selection process. In addition, we obtained and reviewed a copy of the Army's standard operating procedures pertaining to structured settlements. Also, we asked the six agencies to supply information pertaining to the number of structured settlements since May 1997.

To provide the list of DOJ's structured settlement annuities between May 1, 1997, and May 1, 1999, we used data DOJ collected from the Civil Division and the United States Attorneys Offices. The Civil Division's data came from the Torts Branch, which routinely handles structured settlements. The United States Attorneys' data were collected by EOUSA and include all the data received by EOUSA as of August 12, 1999. As of that date, 34 of the 94 United States Attorneys offices had reported annuity settlements during the relevant time period.<sup>11</sup> We did not verify the accuracy of the information collected from the Torts Branch or EOUSA.

---

<sup>10</sup> For example, the Attorney General has delegated the authority to settle tort claims of up to \$200,000 to the Secretary of Defense.

<sup>11</sup>Thirteen offices did not respond to EOUSA's request for information.

---

To gain a broader understanding of structured settlements, we met with the Executive Vice President of the National Structured Settlement Trade Association (NSSTA).<sup>12</sup> We obtained information concerning brokers working with federal structured settlements.

We did our audit work between June and December 1999 in accordance with generally accepted government auditing standards. We requested comments on a draft of this report from the United States Attorney General or her designee. Also, in January we discussed the contents of this report with VA's Assistant General Counsel; U.S. Postal Service' Claims Division Counsel; and the Army's Torts Claims Division Chief. Also, we obtain comments for the Air Force and Navy from DoD's Senior Report Analysis for the GAO Affairs Directorate. In addition, we spoke with HHS' Associate General Counsel. The written and oral comments we received are discussed near the end of the report.

---

## Federal Policies for Selecting Structured Settlement Brokers Lacked Adequate Internal Control

Although DOJ had established policies and guidance for the selection of structured settlement brokers, the policies and guidance did not include an internal control requiring attorneys to document their reasons for selecting a specific broker. Similarly, although the six agencies we reviewed said they generally followed DOJ's policy guidance for selecting a structured settlement broker, they were not required to document their reasons for selecting a particular broker. None of these agencies documented the reasons why they selected particular brokers.

---

## DOJ Did Not Document Reasons for Selecting Brokers

DOJ had established policies and guidance governing the selection of structured settlement brokers, but it did not require that the reasons for selecting a specific broker be documented. On July 16, 1993, the Director of the Civil Division's Torts Branch, which is responsible for FTCA claims and litigation, issued a memorandum that was intended to supplement the guidance on structured settlements in the Damages Handbook and to codify previous informal guidance on the selection of structured settlement brokers. Neither the Damages Handbook nor the memorandum addressed documenting the reasons for selecting a specific broker.

On June 30, 1997, the Acting Associate Attorney General expanded the policy guidance by issuing a memorandum to United States Attorneys. However, the new guidance did not address documenting the reasons for

---

<sup>12</sup>NSSTA is an organization composed of more than 500 members who negotiate and fund structured settlements of tort and worker's compensation claims involving persons with serious, long-term physical injuries. Founded in 1986, NSSTA's stated mission is to advance the use of structured settlements as a means of resolving physical injury claims.

---

broker selections. Generally, the 1997 policy guidance outlined procedures concerning the selection of structured settlement brokers. These included:

- Every broker was to be given an opportunity to promote its services.
- No lists of “approved,” “preferred,” or “disapproved” brokers were to be maintained.
- Brokers who performed well in the past were to be appropriately considered for repeated use; however, such use could not be to the exclusion of new brokers.
- Attorneys were expected to look to supervisory attorneys for assistance; however, final broker selection was the responsibility of the attorney negotiating the settlement.
- When a structured settlement in an FTCA case included a reversionary interest<sup>13</sup> in favor of the United States, the Torts Branch’s FTCA staff was to be consulted to maintain appropriate records and ensure consistency.
- Any activity tending toward an appearance of favoritism, any action contrary to any of the above rules, or any activity incongruent with the spirit of the memorandum was to be scrupulously avoided.

According to agency officials, attorneys sometimes asked each other about their experiences with a particular broker, but the attorney negotiating the case is responsible for making the final broker selection, and is not required to consult with the FTCA staff. DOJ officials told us that in the absence of a requirement to do so, they did not document the reasons for selecting particular settlement brokers.

The Comptroller General’s guidance on internal controls in the federal government, Standards for Internal Control in the Federal Government (GAO/AIMD-00-21.3.1), requires that all transactions and significant events are to be clearly documented and that the documentation is to be readily available for examination. The documentation should appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained.

---

<sup>13</sup>Reversionary interest is the interest that a person has in the reversion of lands or other property.

---

## Selected Agencies Did Not Document Reasons for Selecting Brokers

During 1999, DOJ provided its policy guidance<sup>14</sup> to the six selected agencies in our review—HHS and VA; the Air Force, Army, and Navy; and the Postal Service. Generally, the selection processes the agencies said they had were similar to DOJ's, (e.g., the attorney negotiating a case made the final decision, no list of approved or disapproved structured settlement brokers was maintained).

Five agencies in our review identified various factors they considered when selecting a structured settlement broker. For example:

- HHS, Postal Service, and VA officials told us that they tended to select brokers with offices in the Washington, D.C., area. According to VA officials, the use of distantly located brokers created problems because of (1) differences in time zones and (2) the inability of nonlocal brokers to physically conduct work on short notice.
- Air Force, Navy, and VA officials told us that they put considerable weight on an impressive presentation given by the broker's firm.
- HHS, Navy, Postal Service, and VA officials said they looked at the broker's knowledge and experience in handling structured settlement cases for the federal government and based their selections on positive past experiences.
- Navy and Postal Service officials said they looked for brokers with a reputation for being dependable and responsible.

In addition, the Army had established supplemental policies governing the selection of structured settlement brokers. According to the Army's standard operating procedures, brokers were to be selected on a case-by-case basis according to the following criteria: (1) the broker's ability to become a member of the negotiating team, participate in negotiations, and travel at his or her own expense; (2) the selecting administrative officer's previous interviews with or knowledge of the broker; (3) the broker's ability to present his views verbally (if the case requires in-person negotiations); and (4) the broker's experience if the administrative officer is inexperienced. In certain more specialized cases, the selecting administrative officer's choice of a specific broker must be approved by a higher authority.

---

<sup>14</sup>This guidance was contained in a June 30, 1997, memorandum from the Acting Associate Attorney General to the United States Attorneys regarding the selection of structured settlement brokers.



Even though federal agencies we surveyed said they provided policy guidance on broker selection, none of them required documentation of the reasons for selecting a structured settlement broker. In the absence of this requirement, none documented the reason for selection.

## DOJ Selected a Few Brokers to Handle Most Settlements Claims

DOJ has selected several structured settlement brokerage companies to handle most of the structured settlement claims. Between May 1, 1997, and May 1, 1999, DOJ used 27 different structured settlement brokerage companies to settle 242 claims for \$236 million. (See table 1 for the number and total annuity costs of annuity settlements handled by brokers.) Of the 242 claims awarded, 70 percent (169 cases) were awarded to 4 brokerage companies. One of the four companies was awarded 30 percent (72 cases) of the total number of cases. The remaining 23 companies were awarded 30 percent of the total number of cases.

**Table 1: Annuity Settlements for DOJ (May 1997 to May 1999)**

Brokerage*	Number of settlements	Total annuity cost
AIG Life Insurance Company	1	\$97,000
Allstate Life Insurance Company	1	99,333
Brant Hickey & Associates	10	4,894,998
Canada Life Assurance Company	1	100,000
Creative Settlement Consultants	8	8,249,758
Delta Group	26	33,800,720
Garrett Wong & Associates	1	1,000,000
GE Capital Assurance	1	150,000
Halpern Group	1	484,505
Huver & Associates, Inc.	7	3,550,800
JMW Settlements, Inc.	35	29,235,685
Joe Huver, Amicus Group	3	760,000
Kenneth H. Wells & Associates	1	16,430
Legal Economic Evaluations, Inc.	1	156,500
Minet Settlement Services, Inc.	1	171,719
Near North Financial Group	2	406,946
Near North Insurance Brokerage, Inc.	2	700,129
Pension Company	2	1,351,381
Ringler Associates, Inc.	36	24,039,764
Settlement Associates, Inc.	17	21,691,697
Settlement Planning Associates	5	3,339,803
Settlement Professionals, Inc.	1	500,000
Sheerin Corporation	2	689,810
Structured Financial Associates	72	99,283,574

Structured Funding Group	2	600,000
Structured Settlement Company	2	380,000
Summit Settlement Services	1	250,000
<b>Total</b>	<b>242</b>	<b>\$236,000,552</b>

Note 1: DOJ settlements may include annuity settlements for the Torts Branch, Civil Division and the U.S. Attorney Offices.

Note 2: Thirteen U.S. Attorney offices did not provide structured settlement data.

\*Includes four insurance carriers (AIG Life Insurance Company, Allstate Life Insurance Company, GE Capital Assurance, and Canada Life Assurance Company) because the name of the structured settlement broker was not included in the data.

Source: DOJ data.

Because DOJ did not document the reasons for selecting a particular broker, DOJ officials could not specifically say why certain companies received more business than others. However, as noted previously, DOJ officials cited a variety of reasons for selecting a specific structured settlement broker, such as experience, dependability, and knowledge of federal structured claims.

According to DOJ, the companies frequently have multiple offices and brokers that compete with each other within the same company. Thus, a simple count of the number of companies could be misleading.

## Conclusions

DOJ has developed policies and guidance for selecting structured settlement brokers and disseminated this information to the six other federal agencies with authority to handle structured settlement claims that we contacted. However, the policies and guidance lacked an internal control requiring that the reasons for selecting a broker be documented and readily available for examination. This is important because without documentation of transactions or other significant events, DOJ can not be certain that its policies and guidance on selecting structured settlement brokers are being followed. Further, without documentation on the reasons settlement brokers were selected, it is more difficult to avoid the appearance of favoritism and preferential treatment in a situation where some brokers get significantly more business than others.

## Recommendations

We recommend that the Attorney General of the United States direct the Director of the Torts Branch responsible for FTCA claims and litigation, Civil Division, to

- develop an adequate internal control to ensure that the reasons for selecting structured settlement brokers are always fully documented and readily available for examination; and
- disseminate this guidance to federal agencies, including those in our survey, responsible for handling structured settlement claims.

---

## Agency Comments

We requested comments on a draft of this report from the Attorney General or her designee. On January 18, 2000, the Acting Assistant Attorney General, Civil Division provided us with written comments, which are printed in full in appendix I. The Justice Department expressed appreciation that the report “outlines the many steps undertaken by the Department to ensure fairness in the broker selection process.”

DOJ said its existing policies and guidance to ensure that the selection of brokers is fair are effective. Therefore, it disagreed with our recommendation that DOJ implement an adequate internal control to ensure that the reasons for selecting a specific structured settlement broker are always fully documented and readily available for examination. DOJ noted that the Comptroller General’s Standards for Internal Control in the Federal Government specify that management should design and implement internal controls based on the related costs and benefits. It stated that it was DOJ’s belief that the costs of implementing the recommendation, in terms of diversion of attention from substantive issues and generation of extra paperwork, would substantially outweigh any benefits.

We recognize that determining whether to implement a particular internal control involves a judgment about whether the benefits outweigh the costs. We believe that the benefits of implementing our recommendation would outweigh any associated costs and paperwork. As stated in this report, these benefits are twofold: requiring documentation would help enable DOJ to (1) determine if its policies and guidance on selecting brokers are being followed and (2) protect DOJ from charges of favoritism towards a specific broker or brokers. Further, noting the reasons for selecting a specific broker in the case file at the time the selection is made would appear to require only minimal paperwork or cost. For example, a concise memo to the file stating the rationale for the selection would suffice.

DOJ also expressed concern that, although we observed that most structured settlements have been awarded to a relatively small number of companies, we did not mention that many of the selected companies had multiple offices and brokers that competed for the same work. According to DOJ, by “treating as a monolith all brokers affiliated with the major companies, the draft report ignores the actual way those businesses are run and runs the risk of significantly understating the actual number of brokers competing to handle DOJ structured settlements.”

---

In response, we have noted that according to DOJ, because structured settlement companies may have multiple offices and brokers, the number of companies could be misleading. Data were not readily available for us to determine the extent to which multiple brokers within a single company competed for the same settlement. Nevertheless, the number and cost of settlements by brokerage company show that DOJ placed the majority of its settlement work with a relatively small number of companies—a situation that still could open it up to charges of favoritism towards these companies.

Cognizant officials at HHS, VA, Air Force, Army, Navy, and the Postal Service said they generally agreed with the information presented in the report. The Army provided additional information to clarify its policy for selecting structured settlement brokers, and we incorporated this information in the report where appropriate.

---

We are sending copies of this report to Senator Orrin G Hatch, Chairman, and Senator Patrick J. Leahy, Ranking Minority Member, Senate Committee on the Judiciary; Representative Henry J. Hyde, Chairman, and Representative John Conyers, Jr., Ranking Minority Member, House Committee on the Judiciary; and the Honorable Janet Reno, the Attorney General. We are also sending copies to other interested congressional parties. Copies will also be made available to others upon request.

If you or your staff have any questions, please call me or Weldon McPhail on (202) 512- 8777. Key contributors to this assignment were Mary Hall and Jan Montgomery.

Sincerely yours,

A handwritten signature in black ink that reads "Richard M. Stana". The signature is written in a cursive, flowing style with a long horizontal line extending from the end.

Richard M. Stana  
Associate Director, Administration  
of Justice Issues

---

# Contents

---

Letter	1
Appendix	14
Comments From the Department of Justice	
Tables	Table 1: Annuity Settlements for DOJ (May 1997 to May 1999) 8

---

---

## Abbreviations

AUSA	Assistant United States Attorney
DOJ	Department of Justice
EOUSA	Executive Office for United States Attorneys
FTCA	Federal Tort Claims Act
HHS	Department of Health and Human Services
NSSTA	National Structured Settlement Association
VA	Department of Veterans Affairs
VICP	National Vaccine Injury Compensation Program



# Comments From the Department of Justice



U.S. Department of Justice

Civil Division

Office of the Assistant Attorney General

Washington, D.C. 20530

January 18, 2000

Richard N. Stana  
Associate Director  
Administration of Justice Issues  
United States General Accounting Office  
Washington, D.C. 20548

Dear Mr. Stana:

This responds to your January 6, 2000, letter forwarding for review and comment your draft report on the Department's policies for selecting structured settlement brokers. We appreciate the hard work and professionalism on the part of the GAO staff reflected in the draft.

We are pleased that the draft report outlines the many steps undertaken by the Department to ensure fairness in the broker selection process. In particular, the draft report notes:

- Agencies receive policy and guidance on the selection of structured settlement brokers from the Department of Justice.
- DOJ policies and guidance are intended to promote fairness and avoid the appearance of favoritism in broker selection.
- Agencies generally follow DOJ's policies and guidance.
- No list is maintained of any approved and disapproved structured settlement brokers.
- DOJ and agencies have utilized numerous brokers in effecting structured settlements.

## Comments From the Department of Justice

I have two comments on the draft report.

First, we strongly share your goal of ensuring that the process undertaken by the government to select brokers is fair. The Department's existing policies and guidance are directed to this end, and we believe they are effective. For that reason, we do not believe that requiring, in addition, recitation of rationales for the selection of structured settlement brokers whenever a structured settlement broker is utilized, requiring agency attorneys to maintain paperwork and to ensure that these papers will be "always fully documented and readily available for examination," draft at 17, is needed to further that goal.

In support of its recommendation, the GAO draft report refers to the Comptroller General's Publication "Standards for Internal Control in the Federal Government." See, draft at page 2, n.2 and at page 12. These standards specify, however, that "management should design and implement internal controls based on the related cost and benefits." GAO/AIMD - 00-21.3.1(11/99), at page 6. We believe that the costs of implementing GAO's recommendation, in terms of diversion of attention from substantive issues and generation of extra paperwork, would substantially outweigh any benefits. Indeed, requiring a recitation of the factors used to select a broker each time a broker is used would exalt form over substance, in all likelihood eliciting rote recitals of the factors set forth in the Department's guidance. We do not believe such a requirement would improve the decision making process.

Second, the draft observes that, although numerous companies have been utilized, most structured settlements have been effected with the use of a relatively small number of companies' brokers. It is important to recognize, however, that often companies with much of the business are multiple office, multiple broker companies; the share of the non-federal government market for the companies with much of the government business should also be noted. Different brokers and offices of the same company may compete for the same work. By treating as a monolith all brokers and offices affiliated with one of the major companies, the draft report ignores the actual way those businesses are run and runs the risk of significantly understating the actual number of brokers competing to handle DOJ structured settlements.

I therefore urge that the final letter report GAO sends include a discussion of whether the companies whose brokers are most frequently utilized include multiple office, multiple broker companies, and how this affects the competitive environment to provide these services.

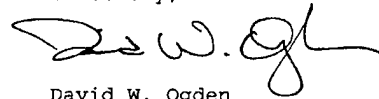
-2-



Comments From the Department of Justice

Thank you for giving us this opportunity to review and comment upon GAO's draft letter report.

Sincerely,

A handwritten signature in black ink, appearing to read "D. W. Ogden", with a stylized flourish at the end.

David W. Ogden  
Acting Assistant Attorney General





